

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 105

January 22, 2023

SUMMARY OF BILL: Increases, from \$10 to \$250, the maximum annual fee that Davidson County is authorized to collect from a landlord registering with the county. Increases, from \$50 per week to \$100 per week, the fine that Davidson County shall assess against a landlord who fails to register.

FISCAL IMPACT:

**Increase Local Revenue –
\$504,500/FY23-24 and Subsequent Years/Permissive/Davidson County**

Assumptions:

- Tennessee Code Annotated § 66-28-107 authorizes Davidson County to charge a landlord permit fee not to exceed \$10 and to assess a \$50 weekly fine against landlords who fail to register or fail to send notification of change of ownership.
- The proposed legislation increases the permit fee limit to \$250 and the weekly fine amount to \$100.
- It is not known if Davidson County will opt to increase its fee for landlord permits or to what extent. Increasing the landlord permit fee would result in a recurring, permissive increase to local revenue.
- In FY21-22, Davidson County collected \$21,020 from 2,102 issued landlord permits.
- Assuming the number of landlords remains constant and Davidson County opts to increase its permit fee to \$250, there will be a recurring, permissive increase to revenue in Davidson County of \$504,480 [(2,102 permits x \$250) - \$21,020], beginning in FY23-24.
- Based on information provided by the Metropolitan Government of Nashville and Davidson County, the vast majority of unregistered landlord violations are resolved without going to court; therefore, there has not been a significant number of fines assessed over the past five fiscal years.
- Increasing the amount of fine assessed against a non-compliant landlord will not result in any significant increase to local revenue.

IMPACT TO COMMERCE:

Increase Business Expenditures – \$504,500/FY23-24 and Subsequent Years

Assumptions:

- Increasing the landlord permit fee will result in a recurring increase in business expenditures, the extent of which will be dependent on the amount Davidson County elects to increase its permit fee, if at all.
- For the purpose of this analysis, it is assumed that Davidson County will increase its landlord permit fee to the proposed maximum amount of \$250.
- The increase in business expenditures is \$504,480 [(2,102 permits x \$250) - \$21,020], beginning in FY23-24.
- Davidson County landlords have not paid a significant number of fines over the past five fiscal years; therefore, increasing the amount of fine assessed against non-compliant landlords will have no significant impact to business expenditures.
- The proposed legislation is not estimated to have any impact to jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/mp